



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 17, 2002

Mark Dotson
Western Utah Copper Company
Box 492
Milford, Ut 84751

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Western Utah
Copper Company, Midvale Placer – Cactus Tunnel Project, S/001/060, Beaver County, Utah

Dear Mr. Dotson:

Thank you for your Notice of Intention to Commence Small Mining Operations received May 2, 2002 and initial permit application fee received May 15, 2002. The proposed Midvale Placer – Cactus Tunnel Project is located in the NE1/4 of Section 9, T27S, R13W, SLBM, Beaver County, Utah. The application is now considered complete and no additional information is required by the Division at this time. **You may commence with your mining operations as outlined.**

In accordance with rule R647-3-105 regarding the project location, the areas to be disturbed should be plotted on a map in sufficient detail so that they can be located on the ground. **It is also required that the operator mark the proposed (5 acre or less) disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.**

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. On July 1, 2002, the permit fees will increase. Small Mining and Exploration notices will increase to \$150.00, large mines will increase to \$500 (less than 50 acres) and \$1,000 (over 50 acres). You will receive a billing statement for the next fiscal year permit fee payment toward the end of June. For your information, any permits received within 45 days of the next fiscal year (after May 15th), we can apply the permit fee to the new fiscal year. This small mine notice was received on May 2nd, which would not fall within this timeframe; however, since you did not submit your fee payment at that time, and we did not review your notice, we can allow you to take advantage of this option if you would like. If you do want to take advantage of this timeframe; please submit another \$50.00 within the next 10 days (by May 27th). By taking advantage of this option, it would allow you not having to pay another \$150.00 in July.

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For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your new mining operation.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tom Munson", with a long horizontal flourish extending to the right.

Tom Munson
Senior Reclamation Specialist

jb
Enclosure: SMO Summary
O:\M001-Beaver\S001060-midvale-placer\final\dotson-apv.doc